

Talking Law Article – May 2009 Understanding Trusts

Trusts have been used in family and commercial dealings for centuries. Trusts have evolved into some complex forms, which are always documented in a Deed.

Elements of a trust are the trust property, the trustee and the beneficiaries. The trustee legally owns the property but holds it under the trust Deed for the enjoyment of the beneficiaries. The trustee has serious legal obligations.

Scope exists for families and businesses to enjoy the benefits that trusts offer for wealth protection; isolating business risks; preserving assets for future generations and flexibility in distributing income and assets in families or groups.

A popular trust is the discretionary or “family” trust which allows the trustee to decide in each year how to distribute. Some other forms of trusts are unit, hybrid and class trusts.

Trust Deeds should be regularly reviewed by a trust law specialist due to changing circumstances, laws and opportunities.

This article is for general information and is not to be taken as specific legal advice. If you require advice on any matters relating to Trusts, please contact Racheal Despotellis at Dawes and Vary Kyabram on 5851 0200, Lesley Hart at Shepparton on 5820 0200, Trish Vigliaturo at Tatura on 5824 0300.

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